

Bill 40 Testimony

MISC. COM. 290

From: CLK Council Info
Sent: Tuesday, May 19, 2020 8:15 PM
Subject: Council/Public Hearing Speaker Registration/Testimony

Speaker Registration/Testimony

Name	Elisabeth wilson
Phone	8084788204
Email	Betsy@alakona.com
Meeting Date	05-02-2020
Council/PH Committee	Council
Agenda Item	Bill 40
Your position on the matter	Oppose
Representing Organization	Self
Do you wish to speak at the hearing?	No
Written Testimony	strong opposition to bill 40. Please consider repeal of 19-27 as it is anti competition and discriminatory to non-union companies.
Testimony Attachment	
Accept Terms and Agreement	1

IP: 192.168.200.67

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May 19, 2020

Chair and the Members of the Honolulu City Council
Honolulu Hale
530 South King St., Room 202
Honolulu, HI 96813

RE: **Opposition to Bill 40** Relating to Community Workforce Agreements

Dear Members of the Honolulu City Council:

I am writing to voice strong opposition to Bill 40 Relating to Community Workforce Agreements, and urge the City Council to repeal flawed Ordinance 19-24.

As evident from previous hearings and countless testimony on Bill 37, an overwhelming majority is against this measure. This majority includes construction organizations, contractors, subcontractors and vendors, many of which are small 'mom and pop shops.' We are LOCAL. We are as LOCAL as the members of this Council. We are as LOCAL as the union reps who come before you to disparage open shop contractors and make fallacious, unfounded promises to solve problems which do not exist.

My employer was established in Hawaii in 1935. Our LOCAL employees, supporting their LOCAL families, living in LOCAL communities, have chosen to work for an open shop contractor for more than 80 years. This has always been their preference and it hasn't been threatened - until now.

At the Council hearing earlier this month, a union rep made the assertion that non-union contractors on HRS 104 projects unlawfully underpay their employees thereby forcing them to go onto food stamps. Hence, a CWA imposed by the City is necessary to save the State's SNAP program.

As ridiculous as this statement is, it's even more outrageous that it be allowed to go unchallenged by this Council. As if there is no oversight nor enforcement to ensure wage, safety and LOCAL preference compliance on HRS 104 projects. Would a contractor paying employees \$15 an hour really go unnoticed, continue to conduct business and actively bid? Not by a longshot. The punishment would be swift and severe and appropriate. Sanctions would apply if the contractor didn't meet the LOCAL preference requirement. So why again do we need CWA's and what do they accomplish? How does Bill 40 fix a fundamentally flawed Ordinance that the Mayor refused to sign?

If the Council is sincere about containing construction costs, not jeopardizing Federal funding for City projects, and ensuring that LOCAL workers are allowed to continue to work on HRS 104 public works projects, then the Council should kill Bill 40 and repeal Ordinance 19-24. Please devote valuable time and resources to more constructive and meaningful matters to benefit all LOCAL workers and taxpayers.

Thank you for your consideration.

Sincerely,

George Van Orden
P.O. Box 4162
Honolulu, HI 96812



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the City & County of Honolulu City Council
Special Meeting
Wednesday, May 20, 2020 at 11:00 A.M.
City Council Chamber, Honolulu Hale**

RE: BILL 40, RELATING TO COMMUNITY WORKFORCE

Chair Anderson, Vice Chair Kobayashi, and Members of the Council:

The Chamber of Commerce Hawaii ("The Chamber") has concerns regarding Council Bill 40, which would amend provisions of Ordinance 19-24, relating to community workforce agreements or CWAs.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate that the City Council has attempted to amend the previously passed Bill 37, which ultimately became Ordinance 19-24. Unfortunately, we remain concerned about the impact that this bill will have on open shop contractors. Questions remain about the impact on how government mandates and the preference for CWAs could drive up costs or cause delays on projects and disrupt local collective bargaining. The choice of whether or not to adopt collective bargaining agreements should be left to the contractors and their employees instead of being imposed as a condition to compete for a publicly funded project.

Additionally, the current Coronavirus (COVID-19) pandemic continues to cripple our state's economy. More than 200,000 workers have lost their jobs and our state has gone from having one of the lowest unemployment rates in the nation, to having the highest in just a matter of weeks. Hawaii's families are struggling to make it financially through the crisis. Given the current ongoing crisis, we feel that now is not the time to enact measures that would hamper recovery and job creation for our construction industry.

Thank you for the opportunity to testify on Council Bill 40.

Sherry Menor-McNamara
8083802617
dkouchi@cochawaii.org



May 14, 2020

Chair and Members of the Honolulu City Council
Honolulu Hale
530 South King Street, Room 202
Honolulu, HI 96813-3077
fax: (808) 768-3826

Subject: TESTIMONY IN STRONG OPPOSITION TO BILL 40 (2020): Relating to Community Workforce Agreements

Dear Chair Ikaika Anderson and members of the Honolulu City Council:

The Hawaii Asphalt Paving Industry (HAPI) is an organization comprised of more than 60 member companies that represent Suppliers, General Contractors, Sub-contractors, Engineering Consultants, Manufacturers, and Vendors related to the asphalt paving industry. Citizens of Honolulu use the product of our industry every day as they travel across our City and County going about their daily lives. We were established in 1989 and represent both union and non-union general contractors and subcontractors that bid on Honolulu City and County, State and Federal projects.

We are writing to express our **strong opposition to Bill 40** which seeks to “fix” Bill 37 (now Ordinance 19-24) that requires the City and County of Honolulu to negotiate a Community Workforce Agreement (CWA) for larger public works projects.

Bill 40 is an attempt to “fix” Bill 37 (Ordinance 19-24) by making a CWA not mandatory, however it still does not eliminate the possibility of a CWA being required for larger public work projects. As such, we also **strongly support the repeal of Ordinance 19-24.**

Our concern with Bill 40 and Ordinance 19-24 is that they will increase the cost of projects for the City and County of Honolulu for the following reasons:

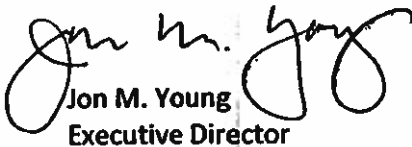
- HAPI's union members already have collective bargaining agreements with guaranteed terms. Both Bill 40 and existing Ordinance 19-24 will increase their proposal costs to manage the CWA's, manage the unknown differences between their collective bargaining agreements and CWA's, and solicit subcontractors and unions to sign onto the CWA. They also will lose subcontracting and supplier opportunities from those who will choose not to bid on projects with a CWA.

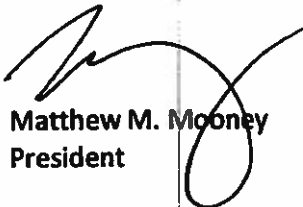
- HAPI's union members are experienced and adept at collective bargaining in the Construction Industry. They do not want the City and County of Honolulu to be embedded in Construction Industry labor negotiations.
- HAPI's union members will increase the costs of their bids because they have invested time, money, and skin in the game to develop long standing relationships with the local unions. They do not want to bid against bidders who merely have access to union workers by signing on to the CWA with no obligations after the project is over.
- HAPI's union and non-union members are against both Bill 40 and existing Ordinance 19-24 because it purports to increase the percentage of local workers on City and County of Honolulu projects when all our members currently sign monthly affidavits that 80% of our workers on each project are Hawaii residents. This has been a requirement since its enactment by COMPTROLLERS MEMORANDUM NO. 2010-36 on November 16, 2010.
- HAPI's union and non-union members are against CWA's because they decrease competition, are disproportionately detrimental to Minority and Small Businesses, are patently unfair and use taxpayer money to assist in union organization.
- HAPI's union and non-union members are against CWA's because they decrease competition and limit resources by decreasing the amount of willing subcontractor and supplier bids. The City and County of Honolulu cannot afford to do this. Prices of City and County projects will dramatically increase.
- HAPI's union, non-union, and consultant members are against both Bill 40 and existing Ordinance 19-24 because it requires Project Managers to sign into CWA's with unions in which Project Managers are not familiar.
- HAPI has many union and non-union members that have been doing business with the City and County of Honolulu for decades and have brought many innovations and improvements into Honolulu for the various aspects of the asphalt paving industry. Why would the City and County Council of Honolulu disrupt our industry at a great cost to the taxpayers?
- HAPI's non-union members will increase the cost of CWA projects simply by making the choice not to bid on them and therefore, decrease competition which will raise prices.
- HAPI's subcontractor and vendor members who do business with the general contractors that do not bid on these projects will lose these business opportunities. Many of them are Minority and Small Businesses.

- HAPI's non-union members that do bid on CWA projects will increase the cost of their proposals to take care of their workers who are currently vested in their own company benefit plans. CWA's may require employee benefits to be paid into the union benefit plans in which the non-union employees are not vested. These local residents and taxpayers will be losing their fringe benefits to a union plan in which they will never be vested. Pay and benefits are currently fairly governed across the industry by HRS 104.
- HAPI's non-union members that do bid on CWA projects will increase the cost of their proposals to accommodate the additional costs to manage the CWA and replace subcontractor bidders and suppliers who choose not to bid.

Thank you for the opportunity for the Hawaii Asphalt Paving Industry to provide our testimony in strong opposition to Bill 40 and strong support for the repeal of Ordinance 19-24.

Mahalo,


Jon M. Young
Executive Director


Matthew M. Mooney
President



JAS. W. GLOVER, LTD.

GENERAL CONTRACTORS

License No. ABC-3

May 19, 2020

TO: Council Member Ikaika Anderson, Chair, Ann Kobayashi, Vice Chair, and Council Members Carol Fukunaga, Brandon Elefante, Joey Manahan, Ron Menor, Kymberly Pine, Heidi Tsuneyoshi, and Tommy Waters

SUBJECT: Strong Opposition to Bill 40 – Community Workforce Agreements
Strong Support to Repeal Ordinance 19-24-Community Workforce Agreements

Dear Chair Anderson, Vice Chair Kobayashi, and Council Members,

Jas. W. Glover, Ltd. is a native Hawaiian owned company that has been proudly serving the City and County of Honolulu, The Territory and State of Hawaii, and Federal agencies in Hawaii since 1935. Our license number, ABC-3, is the lowest license number in the state.

We strongly oppose Bill 40.

Bill 40 is not needed in our construction industry. The current laws in Hawaii dictate that all contractors on City and County and State projects follow HRS 104, which specifies the wages and fringe benefit amounts to be paid to all employees. We are currently required by statute to submit certified payrolls to the contracting agency for verification and certify that 80% of the workers are local residents. Bill 40 does nothing to improve this. This is a lower standard than practiced by our company that uses 100% local residents.

Bill 40 will increase the costs to the City and County and to all taxpayers. Jas. W. Glover, Ltd. will not bid on any project that requires a CWA/PLA because it is unfair to our employees and their families. Other non-union Contractors will refuse to bid as well. With less competition on bids, costs for all projects will increase to the detriment of the taxpayers. The current public procurement practices provide open competition among all qualified firms, regardless of the labor policies of the employers or the union representation choices of their employees. This best serves the taxpayers of the City and County of Honolulu. Our company and employees take offense at the ridiculous claims by the union lobbyists stating that non-union contractors pay their employees \$15 to \$20 per hour on City and County of Honolulu HRS 104 projects with employees being on food stamps. If that were true, our company and others like us would not be in business today. And, we would not have been in business for over eight decades. These same union lobbyists have been requesting our certified payrolls from government agencies for years trying, and failing, to find anything that they can pounce on as being incorrect. We would suggest that the union trades concentrate on and police their own member companies regarding certified payrolls. We have had to instruct and help correct payrolls of our union subcontractors for many years.

Honolulu
P.O. Box 579 • Honolulu, HI 96809
tel: (808) 591-8977 • fax: (808) 591-9174

Hilo
890 Leilani St. • Hilo, HI 96720
tel: (808) 935-0871 • fax: (808) 961-9237

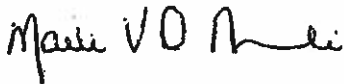
Kona
P.O. Box 4116 • Kailua-Kona, HI 96745
tel: (808) 329-4113 • fax: (808) 326-6017

Lihue
P.O. Box 1929 • Lihue, HI 96766
tel: (808) 245-3609 • fax: (808) 246-6209

We strongly support the repeal of Ordinance 19-24.

Ordinance 19-24 was flawed as Bill 37 from the beginning. It is against commerce, contrary to procurement law, unfair, and it prevents long time Hawaii contractors and taxpayers from bidding on City and County projects. Not only does it discriminate against Hawaii residents who work in the construction industry, it also will jeopardize Federal funding of projects in Hawaii. The majority of the construction industry came out to oppose this bill in October 2019. Despite the obvious discontent with this bill, it was still passed out of the City Council and was not vetoed by the Mayor. The only testimony in support was from a small handful of union labor organizations. In these uncertain times of a World Wide Pandemic, a State of Hawaii and a City and County of Honolulu safer at home order, the City Council should not be hearing and passing any bills that are this consequential to our construction industry without direct input from those that are affected. Those individuals include all construction industry employees, employers, and all citizens of the City and County of Honolulu. We request that you repeal this ordinance immediately. The correct outcome for our construction industry is a repeal of Ordinance 19-24 and the tabling of Bill 40.

Sincerely,

A handwritten signature in black ink, appearing to read "Maile V.O. Romanowski". The signature is fluid and cursive, with the first name "Maile" being the most prominent.

Maile V.O. Romanowski
President